

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7325**

**BILL NUMBER:** SB 261

**NOTE PREPARED:** Apr 9, 2007

**BILL AMENDED:** Apr 2, 2007

**SUBJECT:** Condominium Common Areas and Facilities.

**FIRST AUTHOR:** Sen. Heinold

**FIRST SPONSOR:** Rep. Dembowski

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** (Amended) The bill provides that in certain townships all or part of the common areas and facilities of a condominium may be conveyed or encumbered if at least 95% of the co-owners agree to the action. It provides that a different percentage of votes may be required to convey or encumber the common areas and facilities if the percentage is specified in: (1) the condominium declaration or condominium association bylaws; or (2) an amendment to the declaration or bylaws, if the amendment is approved by the co-owners. It also specifies that the different percentage of votes in the declaration or bylaws may not allow less than 95% of the co-owners to convey or encumber all or part of the common areas or facilities.

The bill provides that proceeds from the conveyance or encumbrance of common areas and facilities must be distributed to co-owners as common profits.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

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